GOLD AND THE POLITICIANS

CONSTANT FLOW OF THE WORLD-TIDE OF GOLD

To Express It We Use Figures So Vast that the Mind Is Unable to Comprehend Them.

WHY GOLD GOES ABROAD $28 PER MINUTE

The Yellow Coins Are the Yellow Chips in the Great Game of Trade—Peep at the World's Enormous Stock of Precious Metals—A River Flowing to the Indian Sea Is a Graphic Representation of the Flood of Precious Stuff.

(Copyright, 1896.)

Chicago, Aug. 20.—If we could imagine the world's supply of gold and silver as a mighty metallic sea, into which trickle little rills of metal from mountain mines in every quarter of the globe, we would get a good idea of the circulation of the metals, in their endless flow to the monetary centers, their use in irrigating the arts, their raining upon the unjust rather more than upon the just, their evaporation and precipitation. There are storm centers of production of gold and silver and there are places, of which New York city is the chief, where one can sit and watch the stream flow past with unending and little varying current.

There have been five years in the past twenty when the United States has imported more of the precious metals than it exported, though only in 1880 and 1881 was the excess at all noticeable. Averaging the twenty years between June 30, 1875, and June 30, 1895, about $309,000,000 of our precious metals have gone abroad in settling balances, or say in round numbers $15,050,000 per year. Subdivide still farther, and the partolean stream is seen to flow past New York at an average rate of about $28 per minute, a comparison which suggests the rate of foreign exchange rather better than the big figures.

Despite the constant drain, the domestic production of the metals has been so great that there was in the country on June 30, 1895, about $1,124,000,000 more than on June 30, 1875.

The springs of gold and silver in the mountains had, in other words, gushed forth at an average rate of $135 per minute every hour of the day and night for twenty years. Such a spring of wealth wouldn't be a bad thing to own.

No one knows, no one can come anywhere near an estimate of the amount of coin in the world. Soetbeer's estimate that there was $5,301,750,000 of gold and legal tender silver in the world in 1885 is as good as anyone's guess. Since that year the world has produced some $1,506,236,000 in bullion, but very little of this added metal gets into coinage. Sir Robert Giffen, the eminent British statistician, estimates that about two-thirds of the annual product is used in the arts, "and if the consumption of India be included, as being either for simple hoarding or for the arts, and in no case for circulating money, then the demand for gold for non-monetary purposes appears almost equal to the entire annual production."

In other words, the world's stock of coined money is not over $6,000,000,000, and is almost stationary or increasing very slowly.

Still, $6,000,000,000 is a very pretty sum. Assuming for the moment that it is all gold—it is, in fact, nearly all redeemable in that metal—it would, whether coined in $5 pieces or sovereigns or 20-franc pieces or 20-lira pieces, nicely pave a farm of a hundred acres or thereabouts.

The amount of the precious metals we lost in twenty years was, in round numbers, about one-twentieth or 5 per cent of the world's total supply of coin. In one year we lost a fourth of 1 per cent.

Our own production of gold and silver alone would, on this estimate, replace the entire coinage of the world in but a trifle over eighty years, not to speak of South Africa, Australia and other bullion-producing places. But, as we have seen from Sir Robert Giffen's estimate, the arts gobble up most of the gold and silver as fast as they are produced.

What the world's total available gold and silver may be, in coin, plate, jewels, bullion, and all forms whatever, no one can make even an intelligent guess. A French estimate puts it at about $20,000,000,000 each of gold and silver. Doubtless this is much underestimated.

Still, twenty billions of gold makes a very respectable showing. It would take forty thieves twenty-three years to steal it all, if they made a trip each night, working Sundays and holidays, and carried 200 pounds each to a load. As for the silver, the forty thieves might as well give that up from the start, since the estimated supply of twenty billions would weigh 537,000 tons and would take the forty thieves 365 years to steal, each carrying some $3,726, or 200 pounds, per night.

The forty robbers would need not only pretty long lives, but a big cave in which to hide their stealings. If they stacked up the world's gold in one solid monolith it would make a solid cylinder as high as the tower of the Brooklyn Bridge and about 17 feet in diameter. If they simply piled up the coins it would be considerably larger.

The silver would make a stack of the same height and as big around as an extremely big gas tank, say rather over 105 feet in diameter if absolutely solid.

If the gold stolen were all of the United States coin blend, there would be 335 tons or so of silver even in the gold shaft, and about 3,015 tons of copper, these being the alloy metals used to give the soft new gold the requisite hardness to resist wear.

Inconceivably vast and valuable as would be these shafts of gold and silver, they have practically all been produced within the past two centuries, and might, if completely destroyed, be replaced within the next thirty-five or forty years at a rate of production which it would be entirely safe to predict. Since men began to use the precious metals for money several times $4,000,000,000 have been dug and smelted and lost. It has floated in the air in impalpable dust from the gritting wear of coins together. It lies in the hulls of wrecked galleons in the deep places of the sea, for none to look upon but the spurning and slimy sea creatures seeking quite other treasures. It tarnishes in jewels, coins, and trinkets lost singly by careless folk since the dawn of history. Much more of it lies where it was hidden by extremely careful folk who died and left no signs of their intention.

The annual disappearance of the metals into India referred to by Sir Robert Giffen is perhaps the strangest romance of coin. The missing metal is absorbed in simple hoarding by the suspicious people of the far East. Whether in coin or in vessels of beaten gold or in jewels and trinkets with golden settings, the wily Hindoo buries his little hoard where no one can know its place but himself. Even he knows it only by a cipher description of its bearings, which he only can read, and which he never removes from his person. When he is eaten by a tiger or goes to his long sleep in some foul jungle, stung by a hissing snake—and in the past 2,000 years some eighty millions of people have so died in India—or in whatever other way passes suddenly from the sight of his own, his secret dies with him. Bigger hoards are those of the jeweled native kings whose wealth was so fabulous that it woke Warren Hastings' amazement at his own moderation that he took so little.

So to return to the river figure, India might be called the sea toward which all the coin rivers of the world flow never to return.

It is no wonder that people go treasure hunting, though the shores of the new world are a poor place for the pastime, in spite of Capt. Kidd and the brave buccaneers who harried the Spanish argosies along our seas. The world's oldest countries might seem to promise the best results from such quests, though even there it is doubtless easier in the long run to earn new coins than to dig up the old ones. Rare strokes of treasure-trove luck are generally met by pure accident, as when in England big pots of Roman coins, nearly 2,000 years old, have occasionally been found.

Where the gold coin of the world hides itself, outside of India, is a comparatively simple matter. The United States Treasury expects to keep about $100,000,000 as a redemption fund. The banks of the country must hold considerably more at all times, since those of New York city alone were able to subscribe a good many millions a few days ago to tide the government over.

Great Britain, though a less wealthy country than ours, has more gold, partly because the Bank of England keeps a huge redemption fund for all its bank notes, and partly because those notes are not issued in denominations of less that £5 and the golden sovereigns are in constant daily use in circulation. Where a Yankee bank clerk is equipped with a wet sponge for handling bills, an English one has a tiny scoop to handle gold and a pair of scales to test its weight. The banks and people of Germany, France and Austria have also a great deal of gold in reserve and in circulation. The German "war chest," which always contains many millions of gold for use in an emergency, is a unique institution. Russia has much less gold than the other nations, as she uses silver roubles and paper notes based on them.

People on both sides of the political fence in this country are agreed that both gold and silver are needed for coinage purposes because if, as Sir Robert Giffen says, the arts use up nearly all the new production of the two precious metals, a single one of them, and that one the most indemand otherwise will not furnish enough redemption money. The parties differ only upon the ability of this country alone undertaking to coin silver freely.

The increased use of silver in the world's monetary systems, however it can be accomplished, is considered desirable by men of both parties in this country, and by practically all foreign financial doctors, except in Great Britain, where gold monometallism finds its only supporters.

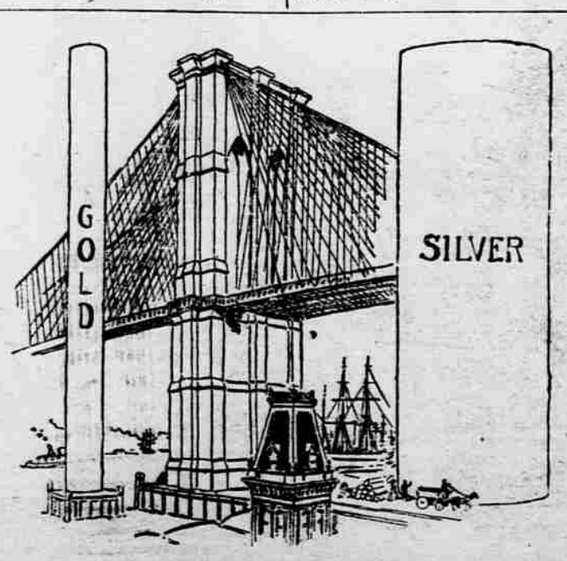
The river of gold which constantly flows outward through New York flows in obedience to laws which it will take many years to change. Financial transactions between this country and Europe are managed as far as possible by exchange transactions involving no actual passing of money. But if, after a series of exchanges, the United States have bought thirty millions worth of stuff from Europe and sold but twenty-nine millions, a million in money, or only one-sixteenth of the entire transaction, has to go abroad to settle the bill. This arbitrage money is gold and its movements are regulated by the rate of exchange. Silver goes abroad, too, but it goes as bullion, not as currency, and attracts less attention. In twenty years we have exported, sold, nearly as much silver as gold and have purchased or reimported very much less. The white metal has gone abroad precisely like wheat, as a commodity of which we have had a surplus to sell.

Once in the last twenty years we have bought a great deal of silver and drawn a great deal more gold than we sent abroad. That was during the two booming years of 1880 and 1881. And the main explanation of that is that at that time we had good crops which enjoyed a good market at good prices. The world isn't eating less wheat than it was sixteen years ago, but it is paying less for it.

The movement of gold abroad from this country is apt to be most pronounced, other things being equal, when the semi-annual interest is due on the vast quantity of American railroad, municipal and industrial stocks and bonds owned by foreigners. The return tide, the flow of gold to this country, sets in when our big crops of wheat, cotton, and other produce are marketed in the old world, and the course of exchange is, for once in the year, reversed. But since 1888 the return flood has always been feebler than the outgoing one. It is as if there were a mighty tide in the river of gold, wherein two ebbs in the year are not quite balanced by one mighty flood. It is upon this flood of autumn gold that the bankers are relying who have undertaken to protect the government's gold reserve until the crops are moved.

Exporters of gold are sometimes denounced as unpatriotic, but rather unjustly. So long as the game of trade goes on, the chips must be cashed in at the end of each sitting. The gold for export is under normal conditions drawn from the United States Treasury or subtreasury. It always has been, and the fact excited little notice or comment until the Treasury reserve seemed endangered. And the whittling away of the reserve came simply because the government's receipts weren't equal to its expenses. We were, and probably are, "running behind," and borrowing precisely as individuals do under such circumstances. The Treasury is bound to cash bills in gold when required to do so, and it is required to do so by the arbitrage houses simply because it isn't of any use to send bank notes abroad where they do not circulate. In precisely the same way, when gold is to be imported to this country, it is obtained from the Bank of England, because English bank notes would be of no use here. The chips in the game must have a value recognized by all the players.

I have carefully avoided in this article anything like a party argument or partisan assumption. The facts which are here stated are basic. They are admitted by all and form the data for argument. What is the wisest policy to pursue now—oh, that is another story!



The World's Stock of Gold and Silver.

CONSOLATION FOR ESAU.

Barber's Reply to Theories Held by a Customer.

New York Sun.

"Wish my beard didn't grow so fast," a man remarked to his barber. "I lose half an hour a week in your shop."

The barber assured him that a strong beard was a blessing in disguise.

Galleon Gold in the Sea Depths.

"How do you make that out? Remove, pray, the disguise."

"Well, when the beard grows fast it's a sign of vitality. Athletes, ever since Samson, have had plenty of hair—not always on the chin, perhaps. It doesn't matter where it grows. Thin, active people are pretty sure to have more than fat people."

"I never heard it was a sign of vitality," replied the other, "I have heard it was a sign of sensitiveness, and my observation bears this out. The extent and fineness of a man's pilosity is a criterion of his delicacy and nervous strength. Besides, you know, a man's hair, except as it supplements his nervous organization, is quite independent of him, a kind of parasite, in fact. They say it keeps on growing after death, and when skeletons are exhumed they are all overgrown like an axe left in the grass. That's the reason the bayseed Populists wear such long beards; if death won't stop it, why should they? To sacrifice a hair's length is an affront to the powers above, and those farmers are just lazy enough to rest in such an excuse."

"Oh, but my friend, you are all wrong!" expostulated the barber. "The hair only seems to grow after death. Men who are shaved, as is proper, immediately after death, do in a few days, appear to need shaving again, but this is not because the hair has grown, but because the skin has shrunk, thereby exposing the hair nearer its roots, which are a quarter of an inch from the surface. This strange phenomenon gives rise to the common fallacy about the unquenchable fertility of hair.

"As to your sensitive theory," he continued, "I can't agree with you. A theory that doesn't hold with most women and many men is no good. Whether a person's hair grows generously or not depends somewhat on his physicial inheritance, sons of bald men are often bald at notice, and very largely on his own stock of vitality. This much can be said, however, The man with a full head of hair seldom has a vigorous beard; and the man with a sturdy, ambitious beard, like yours, often is bald on top. Nature sees to it that no man shall be monopolist of hirsuite glory. That a disproportionate amount of strength goes to the hair is shown by the fact, aside from looks, men feel better if their hair is cut occasionally. The long-bearded Populist is properly represented as a lank, cadaverous, bloodless creature. And I once saw a fat woman in a museum who——"

But the man's beard was trimmed, and having found a man who could beat him at reeling off long words, he gladly sped out at this point.

MINT SEASON IS HERE.

But the Demand for Mint for Juleps Is Said to Be on the Decline.

New York Sun.

On any of the ferryboats coming into New York in the morning, on the trolley cars from the annexed district, and just across from Jersey, as well as from Long Island, a seasonable spectacle is presented of women, usually old women, carrying in bags or baskets large bundles of mint gathered in the vicinity of New York and brought here for sale either to the big hotels or to the retail liquor stores.

Every patron of the American hotel is, or ought to be, familiar with the succulent charms and wholesomeness of lamb and mint sauce, and all patrons of bars are (though some of them ought not to be) familiar with the pleasant taste, if not the sometimes perplexing after effects of mint juleps. The julep is a Southern drink and for many years before the beginning of the civil war there was a triangular contest among Alabama, Texas and Virginia over the claim made and persisted in by each that it originated the mint julep. The matter was not definitely settled to the satisfaction of the people of any of these three States when the war broke out and since its close the controversy has been renewed with no better success.

Meanwhile, the mint julep has become a popular drink in some of the States of the North, particularly in those to which, after the close of the war, there was a large Southern emigration. Of late years the popularity of mint juleps has been, along with that of other similar mixed drinks, decidedly on the decrease, but nevertheless there continues enough demand for them to make profitable the sale of mint gathered in the neighborhood of New York city, and as the work of gathering is easy (most of the mint grows wild), women have almost a monopoly of it, particularly the wives or widows of garden farmers in the neighborhood. August is the month during which the demand for mint is largest in New York.

In winter there is relatively very little but with July and August, and especially July, comes the call for mint of peppermint. The current price of a bunch of mint in August is 3 cents, the size of the bunch varying considerably. Two bunches sell for 5 cents, and the purchases of mint by New York saloons vary in amount from 5 cents a week, the minimum, to $2 a week, the maximum.

Not only is mint used in the preparation of mint juleps, but it also appears in what is called the dressing of fancy drinks, of various kinds, and still another element in the consumption is the partiality of some saloon patrons for mint kept in a glass at one end of a saloon bar. On a warm day the taste of mint is very refreshing, and it is no uncommon thing for saloon patrons, after a drink of whisky or beer, to take from out of the glass in the saloon a sprig or two of mint and eat it.

Forty Thieves Stealing the World's Gold.

Composite Phrenological Head of Eight Famous Americans.

1. The McKinley bump of generosity.
2. Hobart's ambitious section.
3. Love of pleasing is Bryan's characteristic.
4. "Dude" bump on Whitney's head.
5. Combativeness "ideal" with Watson.
6. Hanna's scheming bump.
7. Fellow feeling found on the head of Sewall.
8. The Morton lower head development makes him the type of "family love."

BIG HEADS OF BIG MEN AND THEIR BEST BUMPS

A Composite Outline of Eight Famous Heads Would Show a Series of Regular Scallops.

M'KINLEY HAS A GIGANTIC BENEVOLENT BUMP

Bryan's Hat Must Be Pushed Forward to Accommodate His "Love of Pleasing"—Watson's "Perfect and Ideal Combativeness"—Hobart's "Hope" on Top of Head Makes Him the Type of Optimistic Phrenologists.

(Copyright, 1896.)

What is your intellect and mine? This world is ruled by six small heads.—James Anthony Froude.

If a man were balanced in such a way as to rule the world through all its avenues of possibilities by oratory, popularity and statesmanship, his head would present a series of bumps that would entitle him to the title of "The Curved Head." It would be a mass of bumps so pronounced as to make scallops from his collar button to his forelock and from ear to ear. Between the scallops would lie the lesser traits, but the scallops would be the ruling ones.

THEIR ONE BUMP.

Great men have some one prominent trait that makes them great. It shows itself in a bump somewhere on the head. Back of the bump is a brain development that forces out the bump in childhood. This part or that part of the brain grew. If the man has a good head along with this one bump he becomes great. If he has a poor head and one bump he becomes a crank.

If the temple, say, is large, and back of it there is a lumpy feeling; if there is a decided coming out of the head at the side on a line with the eyes; if the head from the front looks too big and the face has an awkward setting, then there is constructiveness there. The bump, without a good rounding head, makes a second-rate builder, one who can carry only the plank while the other man nails it. But as the head grows better and better developed the "constructiveness" grows with it.

In its highest form constructiveness means scheming and planning. In many heads this is very prominent. Take the head of that arch schemer, Mark Hanna, who is proud of his schemes, and see how prominent is the side development. This is almost a lump upon the brow of Hanna. He knows it means constructiveness. In the hands of a phrenologist he would act as a walking signpost of the accuracy of his science. Constructiveness brings success in business and skill in overcoming obstacles.

The head of Bryan is peculiar in the development of a lump in an unusual spot. It is just above the line where a man lets his hat rest. In Mr. Bryan's head it is so large and round that he is forced to wear his hat a little front to accommodate it, or obtain a very large hat. This is the bump of approbation. In itself it is a bump that is the most agreeable of any on the head. It means love of approval. Sifted into its component parts, it means kindness to others, an effort to please, a constant seeking to do the popular thing. It is the bump of diplomacy, of happy home life and of religion.

Men with this bump are always good talkers. They try to please. That makes them orators. Back of the talk there are pleasing qualities, that is if the lump tapers off gradually. Examine your head for this. A good sloping lump is the best gift a man can have, but it must slope.

McKINLEY'S BEST POINT.

The bump of benevolence lies well toward the front of the head. This shows in the way a man wears his hat. A man with a benevolent bump will wear his hat far back. It is more comfortable pushed back from that bump. Benevolent men have trouble fitting a hat. It sets too tight on the head. That bump fills the front of it too closely. This is McKinley's great bump If it sloped a little more abruptly it would mean a spendthrift. As it is, it means charity, gift. It means bestowal of means, anything one has. It is apt to mean improvidence, and not enough selfishness.

The ambitious man's head rises toward the back. There is a spot midway the parting where the bump of ambition has its source. Ambitious men get bald early and show it quickly, for the top of the head is high enough to be visible from all sides. It rises like a little mountain. Very sanguine people have this bump. Also ambitious, hopeful ones. Men with this development are almost sure to get rich, for they keep on plodding and keep on climbing. You can't drive them away. They see hope beyond. It is the optimistic bump. This shows plainly in the head of Hobart of New Jersey. It betokens a genial, sunny, cheerful disposition, and one that knows no discouragement, for it sees dawn always.

WATSON A FIGHTER.

Around the ear there is a region known as combativeness. It begins a little in front of the ear and reaches all around it. It specially extends back of it and a little up. The man with a bump here is naturally combative. He has that warlike tendency that makes him speak up for his principles where others would write for them. The combative man carries his argument in the enemy's camp and fights for right.

Watson of Georgia has a large combative field. In his case it is aided by the large ears that offset or temper it. They mean generosity, and directly back of them there is almost a depression. This denotes a slow temper. High-tempered people have a bump here, called the "quick" bump. This large raised portion around the ears belongs to Gladstone and to Bismarck. It is so pronounced with them that it makes the ears of both set out, though they have small ears; and in the case of Kaiser Wilhelm it almost deforms him. The trait is a useful one in certain fields, but the men who have it must hope for that nice balancing of other qualities which these well-known men have.

Two peculiar bumps lie at the lower back of the head. These are "love of family" and "friendship." The former is lowest, and is so highly developed in the head of Levi P. Morton that phrenologists use his head in their advertisements. Above it lies "friendship." This in the head of Sewall, of Maine, is the largest bump. His enemies envy him this big, round spot on the back of his head, for it brings him friends. It is the altruistic bump—love of fellow-man.

SEWALL'S BUMP.

A man with this bump may be a fool, a spendthrift, a rake, a drunkard, but he will not be a mean man. His hand will be against nobody but himself. In its best form this bump brings popularity. It brings power, too, for the German saying, "A man can go through the world with his hat in his hand," is true all over. Friendship and politeness, as found in that bump, upon which a man's hat rests, will carry him anywhere. Adventurers have it.

Look at the face of a man if you want to tell whether he is fond of dress. His face will appear narrow and his head large. This is because there is a bump at the side of the head which means personal vanity. The fop has a head that spreads wide at the sides, narrows in at the temples. He may be ever so brainy, but that love of dress gave him a bump that classifies his head as "the dude."

THE DUDE BUMP.

Among public men the greatest example of this is W. C. Whitney, whose head spreads here so much that he must keep his hair cut short to lessen the effect, and be almost clipsit at the sides. Fastidiousness in dress, the gold eyeglass, the up-to-date collar, the brushed clothes and the walking stick go with this bump.

In a composite picture of these well-known statesmen there would be produced a head such as a man would possess if he had all these qualities developed as highly as possible. The result would be the scalloped head referred to. He should be thankful for one bump and not sigh for all. The characteristes that bring a man out from the world at large would come out in scallop after scallop. No man can have every great characteristic mightily developed. Napoleon used to look at his pictures and miss the forelock or the scowl or the compressed lips. Then he would order another that would have all of these. But our great men are wiser. They pick out their one best point and show it up in a picture, and stick to it as their distinguishing peculiarity.

A CIRCULAR FISH.

It Had Become So Through Growing in a Human Skull.

San Francisco Call.

"The strangest fish story I ever heard was an experience I had myself," said Judge Scudder, of Ataluma, as he settled himself back in his big armchair, while a reflective look passed over his open countenance.

"It was in the summer of '82, I think, that an Easterner and myself started on the warpath for fish. Salmon Creek afforded fine fishing for salmon, trout and salmon trout as well, and many were the stories of mammoth fishes caught there which were wafted to our ears when our friends learned of our destination, to all of which my friend from the East listened incredulously.

"This stream, as you know, flows through a narrow defile with precipitous sides, and winding around considerably after leaving Freestone, finally empties into the Pacific, and right near there we had our headquarters—at the Ocean View House—tramping up the narrow canyon each morning, with bait in ourselves as well as the fishes.

"We had good sport; fine luck, in fact, for two days, and on the third day I chose a very wild spot and seated myself on a large rock overhanging the creek. I fished with a line and rod, using the same old-fashioned worm I did as a boy. There was no need to use the more scientific fly when fish were so easily caught.

"The Easterner was down stream a little way, and everything was intensely solemn and quiet. When I felt a fierce pull on the line I roused up at once, and pulling up what should I see come bobbing up to the surface but a human skull, which, to all appearances, had swallowed the bait through its eyes. Naturally, my otherwise steady nerves were considerably shaken, and with a sort of howl I started back suddenly, which motion swung the grewsome thing rather sharply against a rock, whereat it cracked apart, and the several pieces, to my relief, slid off into the stream, leaving dangling on my line a most peculiar looking fish, almost white and forming an almost perfect ring.

"I quickly jerked the hook out of its gills and let it drop into clear water, where it went through the strangest motions, still keeping its circular shape. It was unable to swim, but twisted around in the water, or moved with a wheel-like motion. My friend, who had been attracted by my howl, arrived just in time to see some of the eccentric gyrations, and I really believe if he hadn't actually seen it, he would always have said it was a California yarn.

"We afterward came to the conclusion that the fish, when small, had strayed into the skull, and, probably through some motion of its own, had turned the ruin over, and so closed its mode of egress, though it could easily survive and grow on the food which came floating by, and there it continued to grow, only in a ring, till the worm, falling through one of the eye sockets, provided a mode of relief from its cramped quarters.

"We quit fishing for that day, and it was sometime before I could eat fish without a thought of this strangely imprisoned curio."

For the Good of the Community.

"Why," asked the Coastal Observer, "did you shoot that tenderfoot?"

"Because," replied the chairman of the Civic Federation, always glad to supply reasonable information, "he would otherwise have died of consumption, and we are trying to have our town recognized as a health resort, you know."—Detroit Tribune.